

INFORMATION

Sources of Income and Principal Employers Of California Physicians, August 1965

A Report of the Bureau of Research and Planning,
California Medical Association

■ *As of August 1965, 54.4 per cent of the 31,551 California physicians in active practice indicated that they receive all of their income from fees-for-service, with another 7.9 per cent receiving at least some of their income in this manner. A total of 8,025 M.D.'s, or 25.4 per cent, are on full-time salaries with no other source of professional income, and the remaining 12.2 per cent are members of group practices, whether on an income sharing or a salaried basis. Almost two-thirds of California physicians (66.6 per cent) consider themselves to be primarily self-employed.*

Of the 21,011 self-employed physicians, 76.3 per cent are in individual practice, 10.5 per cent in partnerships or groups (without income-sharing arrangements) and the remaining 13.2 per cent in group practice (income-sharing). Slightly over one-fifth of all salaried physicians are employed by some Federal agency, primarily in the armed forces. Among the other four-fifths, more than half are hospital employees, with most of the remainder working for other physicians, clinics or educational institutions.

General Practice remains the most heavily populated specialty in California, accounting for 26.3 per cent of all physicians; among self-employed physicians only, G.P.'s number more than one out of every three physicians, or 34.6 per cent. Internists, General Surgeons, Psychiatrists and Obstetrician-Gynecologists rank next in order among all physicians; however, the positions of Psychiatrists and OB.'s is reversed among self-employed physicians.

DATA DERIVED from AMA physician records provide information about sources of income and the principal employers of physicians in California. At present these data constitute mainly descriptive statistics, since only incomplete earlier data are available for comparative purposes.* They can,

however, serve as a basis for analyzing future changes in the composition of California physicians according to these two variables.

As indicated in Table 1a, in August 1965 there were a total of 31,551 physicians practicing in California. Another 2,247 M.D.'s residing in California were either retired or not in medical practice. This latter group is not included among the data shown, since income and employment infor-

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*See Selected Physician Characteristics in California, as of April 1963, Calif. Med., 99:278-280, October 1963.

TABLE 1a.—Number of Practicing Physicians in California: Source of Professional Income by Medical Specialty, August 1965

Medical Specialty	All Sources of Income		Fee-For-Service Only			Fee-For-Service + Part-time Salary			Full-time Salary + Some Fee-For-Service			Full-time Salary Only	
	No.	Per Cent	Total	Individual Practice	Partnership or Group	Total	Individual Practice	Partnership or Group	Total	Individual Practice	Partnership or Group		
General Practice*	8,299	26.3	6,373	5,657	716	369	294	75	45	38	7	932	580
Anesthesiology	1,257	4.0	797	693	104	26	21	5	24	13	11	184	226
General Surgery	2,642	8.4	1,496	1,287	209	126	100	26	34	28	6	332	654
Internal Medicine	4,272	13.5	1,975	1,720	255	317	260	57	105	87	18	695	1,180
Obstetrics-Gynecology	1,838	5.8	1,114	905	209	74	56	18	28	24	4	289	333
Ophthalmology	984	3.1	664	601	63	55	50	5	12	10	2	110	143
Orthopedic Surgery	1,050	3.3	570	441	129	36	31	5	17	16	1	211	216
Otolaryngology	608	1.9	403	357	46	23	19	4	6	5	1	80	96
Pathology	803	2.5	190	129	61	34	25	9	80	53	27	94	405
Pediatrics	1,677	5.3	786	611	175	72	60	12	54	38	16	302	463
Psychiatry	2,150	6.8	850	827	23	280	242	38	144	129	15	44	832
Radiology	1,157	3.7	411	269	142	77	39	38	42	25	17	292	335
Others with Specialties†	3,745	11.9	1,541	1,318	223	195	155	40	224	189	35	279	1,506
No Specialty Reported‡	1,069	3.4	0	0	0	0	0	0	13	12	1	0	1,056
TOTAL	31,551	100.0%	17,170	14,815	2,355	1,684	1,352	332	828	667	161	3,844	8,025

*Includes part-time specialists.

†Includes unlisted specialties as well as sub-specialties of those listed.

‡Includes primarily Interns and Residents.

Note: Excludes 2,247 physicians who are retired and not in practice.

TABLE 1b.—Per Cent of Practicing Physicians in California: Source of Professional Income by Medical Specialty, August 1965

Medical Specialty	All Sources of Income	Fee-For-Service Only			Fee-For-Service + Part-time Salary			Full-time Salary + Some Fee-For-Service			Full-time Salary Only	
		Total	Individual Practice	Partnership or Group	Total	Individual Practice	Partnership or Group	Total	Individual Practice	Partnership or Group		
General Practice*	100.0%	76.8%	68.2%	8.6%	4.4%	3.5%	0.9%	0.5%	0.4%	0.1%	11.2%	7.0%
Anesthesiology	100.0	63.4	55.1	8.3	2.1	1.7	0.4	1.9	1.0	0.9	14.6	18.0
General Surgery	100.0	56.6	48.7	7.9	4.8	3.8	1.0	1.3	1.1	0.2	12.6	24.8
Internal Medicine	100.0	46.2	40.3	5.9	7.4	6.1	1.3	2.5	2.0	0.5	16.3	27.6
Obstetrics-Gynecology	100.0	60.6	49.2	11.4	4.0	3.0	1.0	1.5	1.3	0.2	15.7	18.1
Ophthalmology	100.0	65.5	61.1	6.4	5.6	5.1	0.5	1.2	1.0	0.2	11.2	14.5
Orthopedic Surgery	100.0	54.3	42.0	12.3	3.4	3.0	0.4	1.6	1.5	0.1	20.1	20.6
Otolaryngology	100.0	66.3	58.7	7.6	3.8	3.1	0.7	1.0	0.8	0.2	13.2	15.8
Pathology	100.0	23.7	16.1	7.6	4.2	3.1	1.1	10.0	6.6	3.4	11.7	50.4
Pediatrics	100.0	46.8	36.4	10.4	4.3	3.6	0.7	3.2	2.3	0.9	18.0	27.6
Psychiatry	100.0	39.5	38.5	1.0	13.0	11.3	1.7	6.7	6.0	0.7	2.0	38.7
Radiology	100.0	35.5	23.2	12.3	6.7	3.4	3.3	3.6	2.2	1.4	25.2	29.0
Others with Specialist†	100.0	41.1	35.2	5.9	5.2	4.1	1.1	6.0	5.1	0.9	7.4	40.2
No Specialty Reported‡	100.0	0	0	0	0	0	0	1.2	1.1	0.1	0	98.8
TOTAL	100.0	54.4	47.0	7.5	5.3	4.3	1.0	2.6	2.1	0.5	12.2	25.4

*Includes part-time specialists.

†Includes unlisted specialties as well as sub-specialties of those listed.

‡Includes primarily Interns and Residents.

Note: Per cents read horizontally.

mation relate to practicing physicians only. The data contain, however, information about physicians employed by the Federal government, a group which is often excluded from California physician statistics because of technical difficulties.

It should be noted that this overall total represents a net gain of approximately 1,961 physicians since April 1963, or a net annual increase of approximately 700. This increase, incidentally, was not quite sufficient to have maintained the statewide physician/population ratio of 181/100,000 which existed in 1963. The ratio as of 1965 was 180/100,000.

The largest single medical specialty, by a substantial margin, continues to be General Practice. Over one physician in four (26.3 per cent) is a General Practitioner. This category includes those who have indicated a part-time specialty as well as those in full-time General Practice only. In 1963 the proportion of G.P.'s was 29.6 per cent. The next most prevalent specialties are Internal Medicine (13.5 per cent), General Surgery (8.4 per cent) and Psychiatry (6.8 per cent). Table 1a contains breakdowns of numbers of physicians by specialty and by their source of professional income.

Table 1b presents information as to proportions of physicians in each of twelve medical specialties whose professional income is derived from various sources. There are five major categories of professional income: 1. Group Practice (income-sharing basis), 2. Fee-for-service (only), 3. Fee-for-Service with Part-time Salary, 4. Full-time Salary with some Fee-for-Service, and 5. Full-time Salary (only). Additionally, all physicians with any Fee-for-Service aspect of their practice are further categorized according to "individual practice" and "partnership or group (not an income-sharing basis)."

Among all physicians, well over half (54.4 per cent) indicated that their incomes are entirely from Fees-for-Service. Most of these (47.0 per cent) are in individual practice, with the remainder (7.5 per cent) in either partnerships or groups.

The next largest block of practicing physicians is comprised of those who practice on full-time salaries only. This group constitutes over one physician in four (25.4 per cent) and includes interns, residents, full-time hospital staff physicians, and federal government employees, among others. Almost one physician in eight (12.2 per cent) is in group practice, and the remainder

combine Fees-for-Service with a salaried practice. Among this latter group, more than two out of three are primarily on a Fee-for-Service basis; the remaining third are on full-time salary, but receive some Fees-for-Service in addition.

There is considerable variation in source of income among the separately listed medical specialties. Over three out of four G.P.'s (76.8 per cent) are on a Fee-for-Service only basis, whereas fewer than two out of five Psychiatrists (39.5 per cent) and Radiologists (35.5 per cent) and one out of four Pathologists (23.7 per cent) list Fees-for-Service as their only source of income. Among M.D.'s in Fee-for-Service only, those in individual practice are prevalent in all specialties; among some (e.g., Pediatrics, Pathology, Radiology, Orthopedics), however, partnerships and groups are considerably more common than among others.

Proportions of physicians in group practice, regardless of medical specialty, generally cluster closely around the overall average of 12.2 per cent. Radiology and Orthopedics exceed the average by a wide margin, however, with 25.2 and 20.1 per cent, respectively, in Group Practice. Only 2.0 per cent of Psychiatrists are in Group Practice.

Of the total 25.4 per cent of physicians on full-time salaries, without any Fee-for-Service income, a high proportion are those with "no specialty reported." This group comprises primarily interns and residents. Among the specialties with high proportions of physicians on full-time salaries are Pathology (50.4 per cent) and Psychiatry (38.7 per cent). It should be noted that a very small proportion of General Practitioners (7.0 per cent) are on full-time salaries only.

Table 2 indicates numbers and per cents of physicians by medical specialty according to their principal employer. Among all physicians, two out of three (66.6 per cent) are self-employed and the remaining third employed by others. Of the latter group, 7.7 per cent of the total work for an agency of the Federal government and the remaining 25.7 per cent for other types of agencies. More than half of all non-Federal employees work in hospitals, with another 5.5 per cent employed by a clinic or another physician. Among those M.D.'s in the employ of the Federal Government, more than half are in the armed forces, another sizable group is employed by the Veterans' Administration, and a smaller group by the U.S. Public Health Service.

Among self-employed physicians in California, there are more General Practitioners than the combined total of the next four most populous specialties. Over one out of three self-employed physicians (34.6 per cent) is in General Practice, while the comparable proportion among *all* physicians is considerably closer to one in four. The next highest groups within the self-employed category are Internists (12.7 per cent). General Surgeons (8.7 per cent), Obstetrician-Gynecologists (6.5 per cent) and Psychiatrists (5.3 per cent).

Among all physicians employed outside the Federal government, the greatest proportions are in Internal Medicine (14.3 per cent) and Psychiatry (10.1 per cent). Relatively few (8.7 per cent) are in General Practice. Most (17.6 per cent) are in such specialties as Public Health, Administrative Medicine, Occupational Medicine, and Preventive Medicine, and are, therefore, included in the aggregate "Other Specialty" category. Many others (11.3 per cent) are in Internships and are, therefore, counted in the "No Specialty Reported" category.

Physicians employed by the Federal government come from varied medical specialties, with the highest proportion from the ranks of the Internists. A relatively low, although still substantial percentage, are in General Practice. High proportions come from such numerically minor medical specialties as Aviation Medicine, Administrative Medicine, Neurology, and Pulmonary Diseases. Most of the 24 physicians who work for Federal agencies termed "other" are in Administrative Medicine.

County Teaching Hospitals

A Statement of the Council of the California Medical Association

ON 7 MAY 1966 THE COUNCIL of the California Medical Association issued a supplemental statement to a previous policy position (16 January 1966) pertaining to medical staff structure and financial payment in county/teaching hospitals, resulting from recently enacted legislation (California Medical Assistance Program and the federal medicare law). The combined statements appear below:

Statement Approved by the Council, 7 May 1966:

The California Medical Association has observed with great interest the developments, and the impact on physician staff relationships, of payments from CAL-MAP resources for care of patients in county hospitals and medical teaching hospitals.

There is growing concern that certain limiting patterns of physician staff organization and payment, now developing in some sections of the state, may continue or accentuate the separation of certain CAL-MAP patients in public and teaching facilities.

Recognizing that multiple avenues of adaptation are being considered, CMA urges that all interested parties now undertake a careful and thoughtful re-evaluation of the objectives and issues, before the limiting patterns which now seem to be evolving become prematurely established in an inflexible mold.

Statement Approved by the Council, 16 January 1966:

1. Federal Public Law 89-97 and California Assembly Bill 5 establish need for a new patient-physician-hospital relationship in California's county hospitals.

2. Effective 1 March 1966, many welfare recipients and medical indigents covered by Assembly Bill 5 will begin to receive their medical care in a new way. They will have eligibility identification cards which will permit them to receive medical and hospital service in physicians' private offices and in all qualified community hospitals. Many of these recipients of public medical care will become part of the community's medical mainstream rather than being segregated in county hospitals.

3. As part of this intermingling of patients, Assembly Bill 5 authorizes county hospitals to provide general community service by permitting them to admit paying patients.

Section 14000.2 provides:

"During the time this chapter is effective and notwithstanding other provisions of the Welfare and Institutions Code and Health and Safety Code, the board of supervisors of each county may prescribe rules which authorize the county hospital to integrate its services with those of other hospitals into a system of community